

Adopted at Meeting of 9/20/73 .

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY

RE: ESTABLISHMENT OF FAIR MARKET VALUE IN

SOUTH STATION URBAN RENEWAL AREA PROJECT NO. MASS. R-82(LG)

WHEREAS, the governing body of the Authority (the Board) at a regular meeting on April 19, 1973, adopted a Resolution, entitled "Resolution of the Boston Redevelopment Authority Relative to the Establishment of Fair Market Value for Properties to be Acquired", and

WHEREAS, the parcels were appraised by at least two independent fee appraisers, were reviewed by staff appraisers, and the values recommended by the Real Estate Director and concurred in by the General Counsel;

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY: THAT, the Fair Market Value of the parcels listed below are hereby established:

<u>Parcel No.</u>	<u>Owner</u>	<u>Price</u>
40 - 2	City of Boston	\$135,000
40 - 3	Dewey Sq. Realty	\$161,800

Title to each parcel, when acquired, is to be in fee simple, free and clear of all reservations, encumbrances, and other exceptions to title, except:

1. Liens for any taxes that are not payable at the time of vesting title in the Local Public Agency;
2. Easements or other outstanding interests that have been designated as parcels to be acquired separately;

3. Easements or other interests that under the Urban Renewal Plan are not to be acquired;
4. Reservation of interests or rights, if any, in the former owner, if authorized and in accordance with Department of Housing and Urban Development policies and regulations.

None of the parcels covered by this request is now owned, nor was owned at any time after the Local Public Agency filed its first application for Federal assistance for, or Federal concurrence in, the Project, by (a) the Local Public Agency, (b) a member of its governing body, (c) an officer or employee of the Local Public Agency who exercises a responsible function in carrying out the Project, (d) the local government, (e) the Federal Government, or (f) a public entity or nonprofit institution which acquired the property from the Federal Government for a nominal consideration at a discounted price.

(☒) No exceptions

(☐) Except the following parcels:

COMMENTS

PROJECT SOUTH STATION R-82(LG)

Certificate No. 1

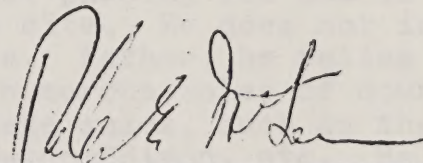
PARCEL 40 - 2

Assessment	Exempt
First Appraisal (Cullen)	\$135,000
Second Appraisal (J. O'Neill)	247,500
Rec. Acq. Price	\$135,000

This is an irregular shaped parcel of land, fronting on the John F. Fitzgerald Expressway in Dewey Square. It contains approximately 4,500 sq. ft. of land. The average width of the lot is approximately 28 feet.


Each appraiser valued this parcel at the same unit price as was estimated for the adjacent parking lot (Parcel 40-3). John Cullen's value is \$30.00 per sq. ft. John O'Neill estimated a value of \$55.00 per sq. ft.

The first appraiser's estimate is recommended for this parcel for the same reasons set forth in the valuation analysis of Parcel 40-3.



Robert E. McGovern
Real Estate Director

Concurred in by:


John C. Conley, General Counsel

COMMENTS

PROJECT SOUTH STATION R-82(LG)

Certificate No. 1

PARCEL NO. 40 - 3

Assessment	\$ 76,900
First Appraisal (J. Cullen)	161,800
Second Appraisal (J. O'Neill)	296,700
Third Appraisal (J. Hewitt)	215,800
Rec. Acq. Price	\$161,800

Handwritten calculations:

$$\begin{array}{r} 161 \\ 296 \\ 215 \\ \hline 672 \\ 3 \overline{) 672} \\ \underline{224} \end{array}$$

Other numbers: 161, 215, 37.6, 188.

This is a triangular shaped parcel, located at the corner of Summer and South Streets. It contains approximately 5,394 sq. ft. of land. It has been used as a public parking lot for approximately 14 years.

The first appraiser bases his value on the premise that the highest and best use of the land is for development with a low rise structure of some kind. He demonstrates in his report that the value of the lot as a public parking lot is approximately \$12.00 per sq. ft. He cites several comparable sales, all of which he considers superior to the subject in most respects because of size, shape, location and potential for assemblage for a higher and better use.

The second appraiser states that parking lot use is the highest, best and most profitable use of the site. He does not include an income approach to support his value. Rather, he relies on the comparable sales approach and includes numerous sales of downtown properties, including large assemblage sales, such as the Federal Reserve Bank parcel, Blue Cross, Boston Edison, etc. He believes that this parcel is in a prime location in an area of expansion.

The third appraiser is in general agreement with the first appraiser's opinion that the best use of the land is for development of a low rise structure such as a bank, fast food operation, etc. He uses an income approach, based on parking lot use, to show that the land has a value of about \$13.73 per sq. ft. as a parking lot.

As with the other two appraisers, the third appraiser uses the market data or comparable sales approach to arrive at his estimate of value. He eliminates the large assemblage sales as reliable indicators of value because of size and utility for building purposes. He relates the subject property to 3 specific sales, making appropriate adjustments for size, shape, time, etc.

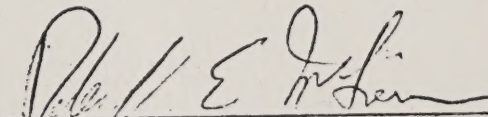
After reviewing the three reports, I am of the opinion that the first appraiser's estimate of value (\$30.00 per sq. ft.) is reasonable.

I believe that the property at the corner of Tremont Street and Temple Place is perhaps the best comparable sale to relate to the subject. It has approximately the same area, is rectangular in shape and is much better located. The City of Boston assessors carry an assessment of approximately \$50.00 per sq. ft. on this parcel. The assessment of the subject land is approximately \$15.00 per sq. ft. The purchase price of this parcel was \$41.61 per sq. ft. By comparison, I rate the property approximately 25% less valuable than the Tremont Street parcel.

The comparable sale at 137-141 Summer St. is offered by the first appraiser solely to indicate an upper limit of value. This property consists of a 5-story mercantile building, sitting on a 2,644 sq. ft. parcel of land. The property - land and building - sold for \$110,000 in 1972. The price computes to \$41.60 per sq. ft. of land area. However, it should not be concluded that the entire purchase price should be allocated to the land. The building is assessed for \$30,700. This property is located across the street from the subject.

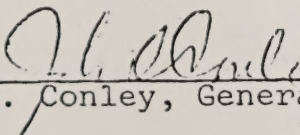
Another sale property which is somewhat meaningful is the sale at 575-583 Washington Street on the corner of Avery Street. This is a rectangular parcel, containing approximately 7,571 sq. ft. of land. It sold in 1970 for \$46.23 per sq. ft. It is assessed for about \$34.00 per sq. ft. This parcel is superior in size, shape location and potential for development.

As for the so-called assemblage sale including the Federal Reserve Bank site, Blue Cross, First National Bank, etc., very little consideration is given because of the size or utility for building purposes. The subject property does not have the size or shape to attract an investment in a high rise structure.



Robert E. McGovern, Real Estate Director

Concurred in by:



John C. Conley, General Counsel

EXECUTIVE SESSION

M E M O R A N D U M

September 20, 1973

TO: BOSTON REDEVELOPMENT AUTHORITY

FROM: ROBERT T. KENNEY, DIRECTOR

SUBJECT: SOUTH STATION PROJECT - MASS. R-82 (LG)
Establishment of Fair Market Value
Parcels 40-2 and 40-3 - Certificate #1

It is requested that you approve and certify the fair market value of the parcels listed on the attached certificate.

The parcels have been appraised by two qualified, independent fee appraisers. The appraisals have been reviewed by staff appraisers under the supervision of the Real Estate Director, in accordance with applicable State law, the Real Property Acquisition Policies Act of 1970, Public Law 91-646, and the Department of Housing and Urban Development policies and requirements.

The Real Estate Director is of the opinion that the prices for these parcels are reasonable estimates of their fair market value.

The General Counsel concurs with the prices recommended.